

Washington, D.C. -- Congressman Jeff Fortenberry this week introduced the Renewable Fuels for America's Future Act. The bill incentivizes biofuels production over current levels, saves taxpayer money, and builds renewable fuels transportation infrastructure across America. It mirrors a proposal Fortenberry introduced in July 2010.

"America continues to spend staggering amounts of money, as much as \$1 billion per day, on imported oil. This creates drastic trade imbalances and undermines our economic and national security. Our sustainable energy future must rely heavily on domestic, renewable forms of energy," Fortenberry said.

"American biofuels are crucial both to increased energy independence and environmental protection. The Renewable Fuels for America's Future Act redesigns our national renewable fuels strategy, creating incentive for increased biofuels production while saving taxpayer money and developing much-needed biofuels transportation infrastructure. It's a winner for farmers, for the environment, and for the American taxpayer."

The Fortenberry bill would extend the ethanol blenders' tax credit (or Volumetric Ethanol Excise Tax Credit) only for ethanol produced beyond required levels. Currently, the Renewable Fuel Standard mandates a certain amount of ethanol that gasoline manufacturers and importers must use in their fuel. Fuel blenders, primarily oil companies, now receive the 45 cent per gallon tax credit on the mandated amount as well as any excess amount. The Fortenberry bill effectively discontinues the credit paid to companies for blending mandated amounts of ethanol, saving an estimated \$5.67 billion of taxpayer money in the first year of the bill's enactment.

The legislation also extends the current ethanol tariff, the Small Producers Tax Credit, and the Cellulosic Ethanol Production Tax Credit. Similar to provisions in the Harkin-Lugar biofuels bill in the U.S. Senate, the Fortenberry bill would require dual fueled vehicles and create incentives for ethanol fuel blend infrastructure, such as blender pumps and storage tanks.

Economists Dr. Ernie Goss of Creighton University and Dr. Bruce Babcock of Iowa State University have conducted analyses of the Fortenberry bill. Dr. Goss has noted the measure would reduce taxpayer outlays and increase incentives for biofuels producers above required levels. Dr. Babcock concluded, "The primary economic impact of this proposal is that taxpayers would no longer pay the blenders credit on mandated volumes. In 2011, this would save

taxpayers \$5.67 billion, assuming that the \$0.45 per gallon tax credit is paid on 12.6 billion gallons of ethanol."

Fortenberry, chairman of the Agriculture Committee's Department Operations, Oversight and Credit Subcommittee, is a strong proponent of renewable fuels development and an early supporter of the 2005 energy bill that integrated biofuels into national energy policy.

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